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News Release

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Minneapolis woman pleads guilty to filing false tax return claims for others

Tomorrow is the deadline for Americans to file their federal income taxes, and officials from the United States Attorney's Office and the Internal Revenue Service remind you that filing falsified tax returns is a federal crime.

A 27-year-old Minneapolis woman pleaded guilty last week to one count of false claims for tax refund and one count of aiding and abetting false claims for tax refund. Nicole Brown entered her plea April 9 in St. Paul before U.S. District Court Judge Paul Magnuson. Brown was indicted on Feb. 19.

According to Brown's plea agreement, she prepared federal individual income tax returns for various individuals, including friends, relatives and others. She also arranged to electronically file those returns.

In preparing those returns, Brown included false information, such as false Form W-2 information that falsely stated the individual's wage information. The plea agreement stated that Brown overstated the tax refund amount for the individual taxpayer, and that some of the tax refunds were paid via wire transfer into Brown's bank account.

The charge to which she has pleaded guilty to specifically pertains to a false tax return Brown arranged to file for a friend on Jan. 13, 2007, for the tax year 2006. The refund sought was \$4,210, and the W-2 information filed falsely listed the individual's employment. If the return had been filed with the correct information, the individual would have been entitled to an actual refund of only \$43.

Brown agreed in her plea agreement that she is responsible for preparing a number of additional false tax returns.

In addition to assisting others, Brown arranged to file her own false tax returns. Specifically, she filed false returns for the tax years 2002-2004, and Brown agreed that she is responsible for

the tax loss relating to her own false tax returns.

According to the plea agreement, the total loss amount in this case is approximately \$198,136, which consists of \$126,081 in false federal tax claims that Brown arranged to file for others, \$50,897 in false state tax claims that she arranged to file for others, and \$21,158 in false state and federal tax claims that Brown arranged to file for herself.

Brown faces a potential maximum penalty of five years in prison. Judge Magnuson will determine her sentence at a future date. This case is the result of an investigation by the IRS-Criminal Investigation Division, and is being prosecuted by Assistant U.S. Attorney Nicole A. Englisch.